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St. Helena

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I. General

1. The Territory of St. Helena,[1] which is administered by the United Kingdom of Great Britain and Northern Ireland, consists of the island of St. Helena and two dependencies: the island of Ascension and a group of small islands forming the dependency of Tristan da Cunha.

2. Situated in the South Atlantic Ocean, approximately 1,900 kilometres from Angola and 2,900 kilometres from Brazil, St. Helena is a small island of volcanic origin. The Territory comprises a total land area of 412 square kilometres: Ascension lies 1,200 kilometres to the north-west of St. Helena, and Tristan da Cunha and the other small islands are approximately 2,400 kilometres to the south of it. St. Helena, where Jamestown, the capital of the Territory, is located, is the largest island, with an area of 122 square kilometres. The islands enjoy a tropical climate tempered by trade winds that blow throughout the year. They have distinctive flora and fauna, with many rare or endangered species.

3. The inhabitants of St. Helena are known as "Saints" or St. Helenians, and are of mixed origin (see para. 4 below). According to the 1998 census, 5,010 people lived on St. Helena. However, it is estimated that some 200 economically active persons have left the island each year since then, leaving the June 2002 population at 4,427.[2] Approximately one third reside in Jamestown. English is the only language. Access to St. Helena is provided by the *Royal Mail Ship (RMS) St. Helena*, which stops en route between Cardiff in the United Kingdom and Cape Town in South Africa. The nearest airstrip is located on Ascension.

II. Historical background

4. St. Helena was discovered in 1502 by the Portuguese navigator Juan da Nova on St. Helena Day, 21 May. It was an uninhabited island. Its existence was kept secret until the English seafarer Thomas Cavendish came upon it in 1588. In 1633 the Netherlands claimed the island but did not occupy it. In 1658 a charter from the Lord Protector of Britain authorized the British East India Company to colonize and fortify the island, which was subsequently settled by the English. Slaves were brought from Africa, Madagascar and the Far East. Chinese and some Indian ndentured labourers were brought to work on the island. King George II issued a charter to the East India Company setting out how the island should be fortified and governed. In the charter the King also gave the inhabitants full English citizenship in perpetuity. Napoleon Bonaparte was exiled to St. Helena from 1815 until his death in 1821. St. Helena became a Crown Colony in 1834. In May 2002 St. Helena celebrated the 500th anniversary of its discovery, and in November 2002 Princess Anne of the United Kingdom visited St. Helena and Ascension to mark the anniversary.

III. Constitutional and political background and developments

5. The St. Helena Constitution Order of 1988, which entered into force on 1 January 1989, replaced the Constitution of St. Helena and dependencies introduced on 1 January 1967. Under the new Constitution, the Governor and Commander-in-

Chief, who is appointed by the Queen, administers the Territory. He is assisted by an Executive Council and a Legislative Council.

6. The Legislative Council comprises the Speaker, 3 ex officio members (the Chief Secretary, the Financial Secretary and the Attorney General) and 12 elected members. The Executive Council is presided over by the Governor and consists of the ex officio members and five of the elected members of the Legislative Council. Although a member of the Legislative Council and the Executive Council, the Attorney General has no vote in either body.

7. Elections are held by secret ballot at intervals of not more than four years, by universal suffrage for those aged 18 years and over. While two political parties exist, since 1976 they have been inactive and elections have been held on a non-partisan basis. The most recent general elections were held on 27 June 2001, when 12 candidates representing eight constituencies were elected to the Legislative Council.

8. The judicial system, based on the laws of the United Kingdom, is administered by the Supreme Court (there is a non-resident Chief Justice) and by a Magistrate's Court presided over by the senior of the three magistrates sitting at a session. There is also a Juvenile Court and a Small Debts Court. Provision exists for a Court of Appeal consisting of three judges, which can sit at Jamestown or London.

9. In January 1983, when the British Nationality Act came into force at the end of the Falkland Islands (Malvinas) conflict, St. Helenians had their citizenship rights taken away. The islanders considered that the restoration of full British citizenship was a matter of basic human rights and, through a Citizenship Commission set up in 1992 by the Anglican Church on the island, they focused on raising public awareness with regard to citizenship and the constitutional development of the Territory. In 1994 the Legislative Council of St. Helena requested a review of the Constitution to include provisions for a bill of rights. There followed a number of discussions and debates in both the local Legislative Council and the United Kingdom House of Commons. (See A/AC.109/2115, paras. 4-8, A/AC.109/1999/16, paras. 4-12, A/AC.109/2000/8, paras. 13-17, A/AC.109/2001/16, paras. 10-15, and A/AC.109/2002/5, paras. 9-14).

10. On 17 March 1999 the British Government submitted in the House of Commons a White Paper entitled "Partnership for Progress and Prosperity: Britain and the Overseas Territories",[3] which enumerated changes in the relationship between the United Kingdom and its territories. The stipulations in the White Paper of greatest relevance to St. Helena were an offer of British citizenship, and with it the right of abode in the United Kingdom for those who chose to accept it, and a commitment to continuing financial assistance to those Territories that remained economically dependent on British aid. The Citizenship Commission and the elected members of the St. Helena Legislative Council discussed the White Paper and presented their findings to the Government of the United Kingdom in June 1999.

11. On 11 July 2001 Baroness Amos, Under-Secretary of State for the Foreign and Commonwealth Office, introduced the British Overseas Territories Bill to the House of Lords for its consideration.[4] The parliamentary process on the bill was completed, and it received Royal Assent on 26 February 2002 and became the British Overseas Territories Act 2002. The citizenship provisions came into effect on 21 May 2002. The St. Helena Citizenship Commission thanked the British Government for upholding its 1999 commitment to restoring citizenship rights and added that it

augured well for "the other policy matters in the White Paper and for a true partnership."[5]

12. With respect to constitutional developments, there have been two initiatives since 1999: first, the position often expressed by the Citizenship Commission that discussions with United Kingdom authorities should include debate on the merits of various constitutional options for St. Helena, namely the status quo, Crown dependency or integration; and secondly, the 1999 report of a Constitutional Commission established by the Governor, which presented proposals on a range of issues related to governance but made no progress in determining the kind of relationship that the island wished to have with the United Kingdom. In his 2001 Christmas message, the Governor noted that some of the proposals made by the Constitutional Commission had already been considered by the Legislative Council. The remaining proposals and the provisions of the human rights chapter were to be considered by the Council in early 2002, after which a package of proposals would be presented for public consultation before being submitted to London later in 2002.[6] In September 2002, the Foreign and Commonwealth Office organized the fourth meeting of the Overseas Territories Consultative Council in London. The representatives of St. Helena who attended stressed the need for a more democratic Constitution and for the Governor's powers to be reduced.[7]

13. Notwithstanding the regular exchanges between the St. Helena Government and the administering Power on constitutional development, the Territory continued to seek independent advice on constitutional matters. As a result, Alison Quentin-Baxter, a barrister of the High Court of New Zealand and an expert on small territories, visited St. Helena from 25 September to 11 October 2002. In her capacity as independent constitutional adviser to the people of the Territory, with funding provided through the Commonwealth Secretariat, Mrs. Quentin-Baxter presented an issues paper entitled "St. Helena and its dependencies — exploring options for their future constitutional development". She met with the elected members of the Legislative Council, the Citizenship Commission, the Governor, the Chief Secretary, the Financial Secretary and the Attorney General and had frequent open meetings with members of the public to discuss constitutional options and the relationship with the United Kingdom.

14. Following the discussions with the independent adviser, on 11 October 2002 the Speaker of the Legislative Council announced that that body would put proposals for constitutional change before the public to see if they were well supported. The key features of the Legislative Council's proposals for constitutional change, as reported in the media,[8] were as follows:

- The Legislative Council should become a legislative assembly of 12 members, eight of them elected to represent constituencies and four elected by all the island's voters.
- Executive powers of Government should be based on a cabinet system, with the cabinet consisting of a chief minister and three or four other ministers. All voters should elect the chief minister from among legislative assembly members. Immediately after a general election, a second round of voting would be held for this purpose. The voting system should require the successful candidate to obtain at least 50 per cent of the vote cast.

- The chief minister would select three or four other members of the assembly to serve as cabinet ministers. The cabinet would exercise the general direction of the Government of St. Helena.
- There would also be an executive council consisting of the chief minister and other ministers, which would meet with the Governor to keep him informed about the conduct of the Government of St. Helena and to tender advice about the exercise of any executive powers for which the Governor continued to have special responsibility. These should not include finance or shipping.
- Members of the legislative assembly not in the cabinet would be members of select committees with powers of scrutiny. they would examine bills and public accounts. They should also have the power to enquire on their own initiative into any matter of Government policy or administration.
- In addition, the new Constitution should include a modern bill of rights chapter and provision for a judicial service commission and a public service commission (recommendations of the 1999 Commission of Inquiry on the Constitution).

15. From October to December 2002 the Legislative Council organized several rounds of public meetings in community centres throughout the island to ensure the maximum participation of the people in the issue of constitutional development and to obtain feedback on the Legislative Council's proposals. In addition, numerous controversial letters, articles and editorials appeared in the local media. As at the end of 2002, the discussions continued.

16. The response of the administering Power to St. Helena's ongoing public consultations on constitutional reform was summarized as follows by the Governor in his 2002 Christmas Message:

> "On Constitutional reform, considerable progress has been made towards moving from the present committee system of Government to a ministerial form of Government. This will be a big step for St. Helena. The British Government is prepared to consider recommendations which command widespread public support. It would then want to engage in dialogue with the St. Helena Government, for example, over the sort of ministerial Government that would suit us best. To this end, I am expecting a delegation from the Foreign and Commonwealth Office to visit St. Helena in April [2003]. The British Government has already made the point that it will need to reserve sufficient powers to protect its responsibility for the good governance of St. Helena, sound financial management and to ensure compliance with international obligations."[9]

17. In the context of the ongoing dialogue on the future of the island, at the end of 2002 the Legislative Council of St. Helena publicized 13 proposed strategic objectives that would allow the Government to negotiate its new three-year aid agreement (2004-2007) with the United Kingdom. The proposals, which were to be discussed with the public in January 2003, were as follows:

- Development of a sustainable and vibrant economy to benefit St. Helena
- Improved access
- Improved standard of education

- Development of a sustainable workforce
- Development of a healthy community in a safe environment
- Development of democratic rights, human rights and self-determination
- Enhancing links with Ascension
- Environmental protection and conservation
- Care of the elderly
- Reduction of all forms of local deprivation
- Strengthened links with the mother country, other Overseas Territories and the Commonwealth, and internationally
- Development of beneficial social policies
- Protecting and cherishing the culture of the island.

IV. Economic conditions

A. General

18. According to the Government of St. Helena, the island is in economic decline: the tax base is shrinking because the birth rate has dropped, the population is ageing and skilled individuals, especially the young, are leaving the island in pursuit of higher wages offshore. St. Helena's heavy dependence on United Kingdom aid and other external funding for capital and technical investment allows the population to enjoy a higher standard of living than local resources would be able to sustain. In 1999, after lengthy consultations, the Government of St. Helena issued the Strategic Review for the period 2000-2010. As the economy is heavily dominated by the State sector, with some 70 per cent of the workforce employed by the Government or State-owned enterprises, the main focus of the Review is public-sector reform and private-sector development.[10] Also outlined are options for St. Helena to generate sustainable wealth through internal investment, tourism, exports and import substitution. With the exception of the last, all are heavily dependent on significantly improved access (see paras. 27-29 below).

B. Assistance from the United Kingdom of Great Britain and Northern Ireland

19. In real terms, aid from the United Kingdom has fallen over the last decade, which has had an effect on the St. Helena economy. More than 30 per cent of the Government's annual recurrent budget is funded by the United Kingdom's Department for International Development (DFID), as is much of its capital investment.[11] In 2000 DFID and the Government of St. Helena agreed on a new country policy plan for the period from 2000/01 to 2002/03, designed to make the island more self-sufficient by promoting the private sector and raising efficiency in the public sector. DFID pledged £29 million in development assistance resources, which also included an annual subsidy for the operation of the *RMS St. Helena*,

awards for training in the United Kingdom and infrastructure projects such as road works and wharf improvement.

20. A team from DFID visited St. Helena from 19 to 25 July 2002. Due to the ongoing public discussions on air and sea access and the proposed strategic objectives for the island's future, it was agreed that a one-year extension of the current country policy plan would be preferable to a new three-year plan. The team announced that DFID's development assistance for 2003/04 would be £10.7 million, a 7 per cent increase over the original planning figure for 2002/03.[12]

C. Development projects

21. St. Helena also receives assistance from the United Nations Development Programme (UNDP). The second UNDP country cooperation framework for St. Helena (DP/CCF/STH/2) covers the period 2001-2004, with allocated regular resources of $1,021,000. The assistance focuses on two main multi-purpose projects: training and consultancy to support sustainable livelihoods; and employment in the tourism sector and development of the private sector. So far, UNDP notes as principal achievements the publication of St. Helena's first human development report (to be updated in 2005), the technical support provided to the island's Development Office, the expansion of Internet and Intranet networks for the territorial Government, and the procurement of remote sensing equipment to enable St. Helena to monitor offshore fishing in its territorial waters. Some progress has been made in skills training for tourism and related areas, such as sign production and catering. UNDP has also funded a project to provide services for the elderly and disabled so as to help them remain within the community.

22. St. Helena is also eligible to receive funds from the European Union. Representatives of the island attended the European Union-Overseas Countries and Territories Forum held in Bonaire, Netherlands Antilles, in September 2002. The Forum enabled participants to discuss the facilities provided by the European Investment Bank and the proposed regulations of the European Development Fund. At the Forum, St. Helena became a member of the Overseas Countries and Territories Association of the European Union.[13]

D. Agriculture and fisheries

23. According to the St. Helena Strategic Review 2000-2010, land is a scarce resource on the island and is not well used. There are four major uses: commercial, residential, government and amenity. A large proportion of land is classified as "Crown wastes" and protected for reforestation with native species. Most agricultural land is owned by the Government and leased for subsistence activities, mainly for use as pasture and with a small amount for cultivation. The Government also owns most forestry land. The Agriculture and Forestry Department provides support to smallholder producers, including agricultural loans, through a revolving credit fund. Vegetables, potatoes and fruit (mainly bananas) are cultivated and livestock is raised, but production is not great enough to make the island self-sufficient. The only significant export crop is coffee, of which 1.597 tons were exported to the United States of America, South Africa and the United Kingdom in 1999/2000.

24. Fisheries are an important sector in St. Helena's economy, although the islanders have the capacity to fish only the 12-mile inshore waters of their 200-mile exclusive economic zone. There are 30 fishing boats with commercial licences, but only 12 work full-time. The local fishermen sell their catch to the St. Helena Fisheries Corporation (SHFC). In 2001/2002, SHFC exported frozen fish with a value of £57,245, while sales of fish for local consumption amounted to £239,840. Licence revenue derived from foreign fishing vessels fluctuated over the past four years with the annual average being £426,613 and the highest annual total being £764,320, in 1998/99.

25. After five years of negotiations, the Convention on the Conservation and Management of Fishery Resources in the South-East Atlantic Ocean was signed in Windhoek on 20 April 2001.[14] The benefits and obligations that it is expected to bring St. Helena are detailed in A/AC.109/2002/5, paragraph 23.

E. Manufacturing and industry

26. There is no large-scale industry on St. Helena. All crafts are produced on a cottage-industry basis, with technical, financial and marketing facilities provided by the St. Helena Development Agency, established in 1995 to promote the private sector. In financial year 2001/2002, the Agency approved £108,652 in loans and £8,113 in grants, mainly to assist enterprises in fishing, agriculture and tourism.

F. Transport, communications and utilities

27. St. Helena has more than 100 kilometres of surfaced roads, but there is no airport or airstrip on the island. The only port is Jamestown, which provides good anchorage, although it would require a breakwater to allow passengers of large cruise vessels to come ashore in all types of weather. The island's only link with the outside world continues to be the *RMS St. Helena*, which is owned and chartered by the St. Helena Shipping Company, Ltd., and which plies between Cardiff in the United Kingdom and Cape Town in South Africa, calling at the Cape Verde islands and Ascension.

28. In the St. Helena Strategic Review 2000-2010, the Government stressed that "the island's extreme aid dependency cannot be reduced until access to the island is fundamentally improved". The territorial Government declared its preference for air access as the most effective way to attract investment and tourism and to create much-needed local employment. In June 2001 a consulting company appointed by the Foreign Office to undertake a comparative cost study of air and sea access indicated that a single runway would cost more than £38 million, while a dual runway would cost £50 million. The replacement cost of the *RMS St. Helena* was estimated at £26.3 million.[15]

29. In January 2002 St. Helenians voted on the question of future access to the island, given a choice between having an airport, with alternative arrangements being made for shipping, or not having an airport, with a replacement for the *RMS St. Helena* instead. A total of 2,203 votes were cast, with 71.6 per cent of voters in favour of an airport and 28.4 per cent wanting a replacement ship. In March 2002 DFID arranged for a delegation from St. Helena to travel to London to discuss air access issues. The talks centred on funding, economic planning, social and

environmental impacts, and current United Kingdom practices on public/private sector joint ventures.[16] From May to July 2002, DFID and the Government of St. Helena entered into discussions with the St. Helena Leisure Corporation (SHELCO), a private consortium that was interested in building the airport and related hotel and golf course facilities. In July 2002 DFID decided not to go ahead with SHELCO's proposal, and in September it agreed with the Territorial Government that a prospectus should be issued on the international market inviting innovative proposals for the construction of the airport. The Government has stressed that the islanders will have only one chance to introduce air access and that they must "get it right".[17] In the meantime, the Government is also stressing in its strategic objectives the need to build a wharf and improve freight and passenger access to St. Helena by sea.

G. Banking and credit

30. The St. Helena pound is equivalent to the pound sterling. The only bank, the Government Savings Bank, does not offer the full range of commercial banking facilities. Limited credit facilities for house-building and home improvements are made available on very easy terms through the Finance Department. All financial transactions are ultimately channelled through London, and United Kingdom bank rates apply. The deficit in the island's trading operations is made up by a grant-in-aid from the United Kingdom Treasury. The amount of currency in circulation as at 31 March 2001 was £2,976,510. Credit cards have recently been introduced and are accepted at some Government offices and commercial outlets.

H. International trade

31. St. Helena's main imports are food products and tobacco, motor spirits and fuel oil, animal feed, building materials, motor vehicles, machinery and spare parts. Its only exports are coffee, fish and handicrafts. Its main trading partners remain the United Kingdom and South Africa.

V. Social conditions

A. General

32. The team of DFID and Foreign and Commonwealth Office representatives that negotiated the country policy plan for 2001/02 to 2002/03 stated that, measured by international norms, St. Helena is a middle-income country with few signs of real material poverty. However, the team added that this is largely owing to the all-encompassing Government safety net, which guarantees everyone a minimum standard of living, and to social networks, which encourage the distribution of income among kin, most notably in the form of remittances. The country policy plan identifies two particularly vulnerable sectors, namely, the increasing number of elderly people (expected to be 24 per cent of the population by 2010) who live on social benefits, and the disabled, who have special, unmet needs. It also points to a "culture of dependency" on the island, partly as a consequence of the Government being the main employer and almost the only provider of services. In 2000, the

Government noted in the St. Helena Strategic Review that once British citizenship was restored, it could be expected that the young people would leave the island and that many would not return. Faced with the prospect of St. Helena over time becoming "an island of the old, poor and unemployable", recent plans have been aimed at identifying options to generate sustainable wealth on St. Helena.

B. Employment

33. As a result of the dependence on imports, the paucity of exports and the small size of the internal market, there are limited employment opportunities on St. Helena. The public sector remains the dominant employer, employing a total of 1,149 persons during the period from 1 April 2001 to 31 March 2002. As at the end of March 2002, there were 176 persons in community employment and a further 64 registered as unemployed. Offshore employment has steadily increased to include more than 30 per cent of the working population. Some 1,275 of the island's workers are employed on Ascension, in the Falkland Islands (Malvinas) and in the United Kingdom; their remittances to St. Helena total £3 million per year. However, as virtually all contracts for offshore employment are for unaccompanied workers, there is a significant social burden because of the dislocation of families. In addition, the loss of trained staff to better-paid offshore employment makes it necessary to bring in more expatriate workers, particularly nurses and teachers.

C. Public health

34. According to the Government of Saint Helena, the public health budget for the year 2001/02 was £1.954 million, which represented 18.5 per cent of the St. Helena Government's recurrent expenditure. There is a 42-bed general hospital in Jamestown, six outpatient clinics, a complex for care for the elderly, a psychiatric hospital and a centre for learning disabilities. St. Helena has a higher-than-usual incidence of asthma, diabetes, hypertension and heart disease. There have been no reported cases of HIV/AIDS. The rapid ageing of the population is increasing the pressure on medical resources. Given St. Helena's geographical isolation, the areas of greatest financial concern in the public health area are the high cost of drug purchases and of overseas referrals, which are sometimes inevitable. In October 2002, a new health programme was finalized with DFID. The Northern Ireland Health and Social Services was re-awarded a five-year contract from January 2003 to manage the programme on behalf of the St. Helena Government. It recruits doctors and consultants, trains nurses and provides medical management support.[18]

D. Education

35. Education is compulsory and free for children between 5 and 15 years of age. In 2001/2002, 881 children and 71 students over the age of 15 were attending seven public schools in the Territory, and six students were in tertiary education in the United Kingdom. There were 109 full-time teachers (three abroad for additional training) and three part-time teachers. Total expenditure on education in 2001/2002 was estimated at £1,351,038, representing 12.18 per cent of total Government expenditure.

36. The introduction of British standardized tests in English and mathematics in the first and middle sections of school have shown that the majority of pupils score lower than their British counterparts. Results from the secondary school examination for students 16 years of age and over show that these pupils are also seriously underachieving, with fewer than 12 per cent of them each year attaining the minimum five qualifying grades for the General Certificate of Secondary Education or equivalent, compared with 40 per cent in the United Kingdom. These problems have been attributed in part to the high level of staff turnover and staff members' lack of qualifications and experience.[19]

E. Environment

37. St. Helena has an environmental conservation programme aimed at preserving endangered species and diversity of habitats, which are an important part of the Territory's heritage and could potentially increase tourism. The World Conservation Union lists as endangered 40 per cent of St. Helena's plants, while other conservationists insist that the actual proportion is even higher. In September 2001 the United Kingdom and the Overseas Territories adopted a set of environment charters setting out for the first time the mutual responsibilities of both regarding the environment. The St. Helena Government lists conservation as one of its 13 strategic objectives. It notes as key areas improved waste management, protecting the marine environment and "green" initiatives such as recycling and renewable energy.

VI. Dependencies of St. Helena

A. Ascension

1. General

38. Ascension was discovered by the Portuguese in 1501 and "found" again on Ascension Day in 1503 by Alphonse d'Albuquerque, who named the uninhabited island. Ascension covers an area of 90 square kilometres and is of volcanic origin. In 1815, when Napoleon was a prisoner on St. Helena, a small British naval garrison was stationed on Ascension. The island remained under Admiralty supervision until 1922, when it was made a dependency of St. Helena. From then until 1964 the island was managed by the Eastern Telegraph Company (renamed Cable and Wireless in 1934). In 1964, in view of the plans to establish British Broadcasting Corporation (BBC) and Composite Signal Organization stations, an Administrator was appointed. During the Second World War the United States Government built the Wideawake airstrip on the island. In 1957 a United States Air Force presence was re-established, and the airstrip and ancillary facilities were enlarged. It is now the south-east tracking station for the United States Air Force Eastern Test Proving Ground. In 1982 it became the intermediate stop for Royal Air Force flights to and from the Falkland Islands (Malvinas). For the past three years, British and United States officials have been discussing the possibility of opening Wideawake airstrip to civilian charter traffic.[20]

2. Constitutional and political status

39. Executive authority for the Territory is exercised by the Governor of St. Helena. A resident Administrator is responsible to the Governor. Ascension has for many years been primarily an important communications centre. As there have never been any indigenous inhabitants, the population (some 1,100 people) is made up of the employees of companies established on the island and their families. Until 2001, all administrative and public services were provided by Ascension Island Services, a joint venture partnership between BBC World Service and Cable and Wireless, directed by a London Board of "Users". Owing to changed geopolitical priorities and rising salaries, in 1999 the London Board decided to disband the joint venture by 31 March 2001. As at that date, responsibility for services was undertaken by a new, transitional Ascension Island Government, consisting of the Governor of St. Helena and the Administrator of Ascension. Since then the islanders have been engaged in deciding how to broaden their political and legislative status.

40. Throughout 2001/2002 there was considerable discussion among the inhabitants of Ascension about the future shape of their Government. According to a constitutional adviser from the Foreign and Commonwealth Office, Michael Bradley, who visited Ascension in October 2001,[21] a majority of Ascension inhabitants did not want a complete separation from St. Helena but were concerned that any new legislative forum should not be a subsidiary administration of St. Helena. His report found considerable support for the creation of a representative Government, but views diverged on its powers and responsibilities. Proposed options included the creation of a legislative council similar to St. Helena's or of an advisory council that could then evolve into a full legislative body like those in other Overseas Territories. Bradley reported that an Order in Council to meet the needs entailed in any of the options would take at least a year. It was recommended that, as an interim solution, the Governor use his existing powers to provide for an island council similar to that of Tristan da Cunha.

41. Following lengthy public discussions and controversial exchanges with the administering Power on the modalities of democratic government that Ascension Island could adopt, a referendum was held on 23 August 2002, in which the inhabitants were asked to choose between two models: either a local island council or a local island council with certain services, in areas such as economic development, health and education, managed by an inter-island council that would include members from St. Helena. Ninety-five per cent of the voters in the referendum favoured the first option, namely, an island council having financial and managerial responsibility for the services provided to the island.

42. Still to be developed however, is another governmental body, a joint consultative forum, which would harmonize the relationship between St. Helena and Ascension on matters of common interest. In this respect, the independent constitutional adviser, Alison Quentin-Baxter, who visited Ascension in September 2002, recommended that the people of Ascension and St. Helena take their inspiration from similar cooperative arrangements among small independent States in the Eastern Caribbean, among small Pacific island States and between Australia and New Zealand.[22]

43. Following the August referendum, Ascension held a general election for its first Island Council on 1 November 2002. Three hundred and thirty-seven people voted (54 per cent of the electorate), electing 7 of the 12 nominated candidates to

serve on the Council. The new councillors were sworn into office on 7 November and received messages of support from Baroness Amos, Foreign Office Minister for the Overseas Territories, and from the Governor of the Territory. The Council met on 5 December 2002 and agreed on funding for education abroad, amendments to a harbour ordinance and the formation of a Finance Committee.[23]

3. Economic and social conditions

44. 2001 was a transitional year for Ascension Island, during which revenue was derived mainly from the employment levy, the Users, receipts from the Ministry of Defence and receipts for services and goods provided by the Government, such as income from postage stamps and immigration fees. In December 2001, the Administrator announced that a new fiscal system would be introduced in April 2002 and publicized the rates of taxation approved by the Governor for the 2002/03 fiscal year, to be paid by all liable inhabitants of Ascension. Given that taxation was established before the issue of finding an appropriate form of democratic government was resolved, there was considerable discontent among the islanders, many of whom wrote letters to and articles in the local media. The Administrator has recognized "the need to address the 'taxation without representation' issue without delay" and has expressed the United Kingdom's commitment to establishing an appropriate form of democratic government in Ascension.[24]

45. A major component of the process of change on Ascension is the development of the private sector. In that regard, in June 2001 Ascension Island Commercial Services, Ltd. (AICS) was established to manage and prepare for sale commercial business units formerly operated by Ascension Island Services. In April 2002 AICS completed the sale of the guest house, the car rental business, the laundry, the petrol station and two shops to private bidders from Ascension and St. Helena.

46. Ascension Island is of considerable environmental interest as a breeding site for the green turtle and numerous species of seabirds, as well as home to abundant marine life. In March 2001, the Foreign and Commonwealth Office and the Royal Society for the Protection of Birds committed £1 million to protecting the seabird and turtle colonies on Ascension.

B. Tristan da Cunha

1. General

47. The dependency of Tristan da Cunha[25] is composed of four islands — the main island, called Tristan da Cunha, plus Gough, Inaccessible and Nightingale. Tristan da Cunha, a round volcanic island with an area of 98 square kilometres, is the most remote inhabited island in the world. Its closest neighbours are St. Helena, 2,334 kilometres to the north, and Cape Town, 2,778 kilometres to the east. Its population was evacuated to the United Kingdom when the volcano last erupted, in 1961, but returned in 1963. The only settlement on the island is the capital, Edinburgh of the Seven Seas. According to the Administrator, as at December 2000 the population consisted of 283 people divided into approximately 100 households.[26] A team of South African meteorologists lives on Gough. Inaccessible and Nightingale are uninhabited.

2. Constitutional and political status

48. Following the passage of the British Overseas Territory Bill in 2002, the people of Tristan da Cunha have full British citizenship and the right of abode in the United Kingdom.

49. Executive authority for Tristan da Cunha is exercised by the Governor of St. Helena. A resident Administrator is appointed by the Governor and is responsible to him. The Administrator is advised by an Island Council, led by the Chief Islander and comprising eight elected members (including at least one woman) and three appointed members. Elections are held every three years. All registered voters over 18 years of age are eligible to vote.

50. Tristan da Cunha has its own legislation, but St. Helena law applies to the extent that it is not inconsistent with local law, insofar as it is suitable for local circumstances and subject to such modifications as local circumstances make necessary. There is one full-time police officer and three special constables. The Administrator is the Magistrate.

3. Economic and social conditions

51. According to the Administrator, Tristan da Cunha is almost self-supporting economically, with overseas funding required only for large capital projects. The Government is the chief employer on the island, with a workforce of 143. The lobster factory provides permanent employment for 23 and casual employment for a further 110 people on fishing days, when 20 small island boats catch lobster for processing. The lobster fishery is operated under an exclusive concession granted by Tristan da Cunha to a South African company. Two company ships fish around Inaccessible, Nightingale and Gough, while the islanders fish around Tristan da Cunha. In addition to royalties and employment, the fishing company also provides a passenger and cargo service to Cape Town. Other sources of income — such as the sale of postage stamps and a limited tourist industry based on three or four ship visits per year — cannot realistically be increased significantly.

52. Revenue provided by the royalties from lobster fisheries and the interest from a reserve fund finances government activities such as the provision of free health care and education. Tristan da Cunha's only hospital is staffed by a qualified expatriate medical officer and four nurses. When required, medical treatment is provided overseas. Education is free and compulsory for all children between 5 and 15 years of age. Working men and women are encouraged to continue their education under a "day-release" programme.

53. There is no air service to Tristan da Cunha. Transport to and from the island is provided by the yearly call of the *RMS St. Helena*, an occasional passenger ship, two fishing concession vessels and the South African research vessel *SA Agulhas*. Owing to rough seas, the harbour is accessible only 60 to 70 days a year. Improvements to the harbour are considered vital to Tristan da Cunha's future. Work is under way to design and construct a safer harbour, which would increase visits by passing ships.

54. The United Kingdom's assistance to Tristan da Cunha is modest and consists of support for the provision of medical care on the island and continuing support for the Fisheries Management Project. The European Union also provides financial assistance for the purchase of machinery to be used in the construction of the harbour.[27] Following a severe storm in May 2001, which caused extensive damage

to homes, the hospital and a community centre, the United Kingdom announced that it would provide a £75,000 aid package.[28] In 2002 the United Kingdom funded the installation of computers in Tristan da Cunha's school, as well as computer training for adults and children.[29]

55. The islands are of considerable environmental interest. They have very distinctive endemic flora and fauna and are important breeding grounds for many seabirds, many of them rare, such as the Tristan albatross. The designation of Gough Island as a World Heritage Site and of Inaccessible as a nature reserve means that 40 per cent of the dependency's land is under protection. Marine life is also protected.

VII. Future status of the Territory

A. Position of the administering Power

56. On 1 October 2002, the representative of the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) (see A/C.4/57/SR.3) in which she said that her Government, as an administering Power, was pleased to report that further progress had been made towards the modernization and development of its relationship with its Overseas Territories. The fourth annual meeting of the Overseas Territories Consultative Council had been held in London in September 2002, providing a forum for structured political dialogue between democratically elected Chief Ministers and Ministers of her Government with regard to the relationship, based on partnership, between the United Kingdom and its Territories. It also enabled those present to consult on matters such as the process of constitutional review, human rights and environmental issues arising from the United Kingdom's international commitments.

57. The partnership between the United Kingdom and its Overseas Territories continued to evolve: on 26 February 2002, the British Overseas Territories Act had become law, effective 21 May 2002, granting citizens of the Territories British citizenship, with right of abode in the United Kingdom and freedom of movement in Europe; the nomenclature had been formally changed from "Dependent" to "Overseas" Territories in order to more accurately reflect the nature of the relationship. Furthermore, constitutional review was under way in almost all the Territories, for the first time with the participation of locally appointed review commissions, with a view to providing each Territory with a modern Constitution suitable for its long-term development and reflecting its specific circumstances. Some reviews were almost complete, while others were well under way, and Ascension Island, for example, would have elected an Island Council by the end of 2002.

58. The United Kingdom representative added that work was under way to implement the guiding principles of the Environment Charter for the Overseas Territories, adopted in September 2001. Pilot projects had been approved for two Territories and would be carefully monitored for suitability elsewhere. Multilateral environmental agreements would be extended to the Territories, and national legislation would be strengthened. Projects had been implemented to address key areas such as habitat restoration, surveys of living resources, the tackling of invasive species and capacity-building for civil society institutions. Her Government would also assist the Territories to gain access to regional and bilateral European

Commission trade, economic and development assistance within the framework of the November 2001 Overseas Association Decision.

59. The United Kingdom representative said that the wishes of the peoples of the Territories, exercised in accordance with the Charter of the United Nations and other international treaties, were of paramount importance for the United Kingdom. The relationship between her Government and its Territories was based on fundamental principles such as self-determination, mutual obligations, freedom for the Territories to run their affairs to the greatest degree possible and the firm commitment of her Government to help the Territories economically and during emergencies.

60. The representative of the United Kingdom said that there was a basic commonality of approach between her Government and the Committee, and she therefore regretted that relevant resolutions, in particular those of the Special Committee on Decolonization, did not always properly reflect that commonality. The annual omnibus resolution recalled that there was no alternative to the principle of self-determination, and it was unfortunate that the Special Committee continued to apply that principle selectively. Her Government fully intended to continue to work with the Special Committee, as had been demonstrated by the presence of a representative of her Government at the regional seminar of the Special Committee held in Fiji in 2002.

B. Position of the Territory

61. In September 1999 the Government of St. Helena published the St. Helena Strategic Review 2000-2010, in which it outlined its medium-term and long-term vision for St. Helena. During 2002, the territorial Government put forward proposals for constitutional reform, as well as strategic objectives to plan for the 2004-2007 aid package to the island (see paras. 12-17 above), and requested the public to respond to both.

62. The Chairperson of the Public Health and Social Services Committee of St. Helena, Margaret Hopkins, participated as an expert in the Pacific Regional Seminar organized by the Special Committee on Decolonization, which was held in Fiji in May 2002. With regard to Saint Helena, (see *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 23* (A/57/23) chap. II, annex, para. 45 (a)) she noted that the current situation, in which depopulation and economic decline linked to falling budgetary assistance threatened the future well-being of the island, could not be allowed to continue; it was vital that improved access and inward investment be developed, and for that the island would require ongoing assistance from the administering Power; the continuing spiral of economic decline and offshore migration presented the prospect of a bleak future unless the pattern was checked and reversed. It was hoped that the visit of an independent constitutional adviser later in 2002 would offer a unifying platform for the administering Power to work with the people of St. Helena to develop a way forward constitutionally to the exercise of the people's right to self-determination in the context of the relevant General Assembly resolutions.

VIII. Consideration of the question by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

63. The Special Committee considered the question of St. Helena at its tenth meeting, on 26 June 2002, in the context of its consideration of the revised draft resolution (A/AC.109/2002/L.15/Rev.1) on the questions of American Samoa, Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Guam, Montserrat, Pitcairn, St. Helena, the Turks and Caicos Islands and the United States Virgin Islands. At the same meeting, the Special Committee adopted the draft resolution as A/AC.109/2002/30 (see *Official Records of the General Assembly, Fifty-seventh Session, Supplement No. 23* (A/57/23), chap. XIII, sect. F).

B. Special Political and Decolonization Committee (Fourth Committee)

64. At its 6th meeting, on 4 October 2002, the Fourth Committee adopted without a vote the draft resolution on the questions of American Samoa, Anguilla, Bermuda, the British Virgin Islands, the Cayman Islands, Guam, Montserrat, Pitcairn, St. Helena, the Turks and Caicos Islands and the United States Virgin Islands (see A/C.4/57/SR.6).

65. After the vote, the representative of the United Kingdom said that, as in previous years, the United Kingdom was pleased to support the consensus on the draft resolution. The British Overseas Territories Act 2002 had received parliamentary approval in February 2002 and had changed the nomenclature of "British Dependent Territories" to "British Overseas Territories" and "British Dependent Territories Citizens" to "British Overseas Territories Citizens" to reflect the modern nature of the relationship and to honour a key commitment made to grant British citizenship to British Overseas Territories Citizens from qualifying Territories. In September 2001, his Government had signed environment charters with the Chief Ministers of most United Kingdom Overseas Territories. Action plans were being prepared in the Territories, and a pilot project was under way in the Turks and Caicos Islands. His Government would be grateful if those two important developments could be reflected in future draft resolutions.

C. General Assembly

66. On 11 December 2002 the General Assembly adopted without a vote resolution 57/138 B, section IX of which specifically referred to St. Helena. In that section, the Assembly welcomed the administering Power's commitment to consider carefully proposals for constitutional change from territorial Governments. The Assembly requested the administering Power to keep the Secretary-General informed of the wishes and aspirations of the people regarding their future political status. The Assembly also requested the administering Power and relevant regional and international organizations to continue to support the efforts of the territorial Government to address the socio-economic development challenges of the Territory,

including high unemployment and the problems of limited transport and communications.

Notes

[1] Information contained in the present working paper has been derived from information transmitted to the Secretary-General on 15 July 2002 by the Government of the United Kingdom of Great Britain and Northern Ireland under article 73*e* of the Charter of the United Nations, and from published sources.

[2] *St. Helena Herald*, 1 November 2002.

[3] The White Paper is reproduced in A/AC.109/1999/1 and Corr.1, annex.

[4] House of Commons Explanatory Notes, 30 October 2001.

[5] Press releases, "Baroness Amos and Citizenship", *St. Helena Herald*, 22 March 2002, and "A Promise Fulfilled", *St. Helena Herald*, 17 May 2002.

[6] "Governor's Christmas Message 2001", *St. Helena Herald*, 21 December 2001.

[7] Fourth Overseas Territories Consultative Council, Report of the Proceedings, 26-27 September 2002.

[8] *St. Helena Herald*, 11 October 2002.

[9] Ibid., 20 December 2002.

[10] www.sainthelena.gov.sh and information provided under article 73*e* of the Charter of the United Nations.

[11] www.sainthelena.gov.sh and letter from the Under-Secretary of State, reported in *St. Helena News*, 2 March 2001.

[12] Aide-memoire, St Helena Country Policy Plan Mission, *St. Helena Herald*, 27 September 2002.

[13] *St. Helena Herald*, 13 December 2002.

[14] South-East Atlantic Fisheries Organization press release, in *The Islander*, 19 July 2001.

[15] *St. Helena Herald*, 11 January 2002.

[16] Press release, reported in *St. Helena Herald*, 22 March 2002.

[17] *St. Helena Herald*, 18 October 2002.

[18] Ibid., 25 October 2002.

[19] St. Helena Strategic Review 2000-2010, St. Helena Government, September 1999.

[20] www.the-islander.org, 15 August 2002.

[21] Ibid., 7 March 2002.

[22] Ibid., 12 September 2002.

[23] Ibid., 7 November, 17 November and 12 December 2002.

[24] Ibid., 20 December 2001.

[25] Information derived from "Tristan da Cunha" (1998), by Brian Baldwin, Administrator of Tristan da Cunha.

[26] Interview with the Administrator of Tristan da Cunha, Falkland Islands News Network (SARTMA), 6 December 2000 (see www.sartma.com).

[27] Interview with European Union official Christian Simmons, SARTMA, 16 January 2001.

[28] *Agence France-Presse*, 6 June 2001.

[29] www.fco.gov.uk.

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British Virgin Islands

Working paper prepared by the Secretariat

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I. Background information

1. The British Virgin Islands[1] are located about 60 miles east of Puerto Rico and 15 miles from the United States Virgin Islands. The Territory comprises a group of 50 islands that form an archipelago with the United States Virgin Islands. Twenty of the islands are inhabited. The capital city, Road Town, is located on the largest island, Tortola. The other major islands are Virgin Gorda, Anegada and Jost Van Dyke.

2. The earliest inhabitants of the British Virgin Islands were the Arawaks and the Caribs. The islands were sighted in 1492 by Christopher Columbus. The Dutch established the first permanent European community on the islands in 1648. In 1666, British planters took control of the islands and the Territory attained the status of a British colony. The planters were granted civil government, constitutional courts, an elected House of Assembly and a partly nominated Legislative Council, which first met in 1772. In 1872, the islands became part of the Federation of the Leeward Islands. In the 1930s and 1940s, British Virgin Islanders demanded greater self-governance, which led to the Territory becoming a separately administered colony in 1956.

3. According to the information provided by the administering Power, the 2001 census recorded 20,647 residents, which represents an increase of 1.92 per cent since 1991. The population density reached 135 persons per square kilometre. The main island, Tortola, which accounts for 36 per cent of the land, is where most economic activities are conducted and where 80 per cent of the population is concentrated, with a density of 304 persons per square kilometre. Approximately 83 per cent of the Islanders are of African descent, the remainder being of European or other origin. Immigration accounted for 45.4 per cent of the population growth between 1991 and 2001.

II. Constitutional, political and legal issues

4. The British Virgin Islands is a Non-Self-Governing Territory (British Overseas Territory) under the administration of the United Kingdom of Great Britain and Northern Ireland. The Constitution, formulated with local input, was adopted in 1967 and amended in 1976. The administering Power appoints a Governor with responsibilities for defence, internal security, external affairs, public service and the administration of the courts; the Governor retains legislative powers as necessary to exercise special responsibilities. The Executive Council consists of the Chief Minister (appointed by the Governor from among the elected members of the Legislative Council) who has responsibility for finance, three ministers (appointed by the Governor on the advice of the Chief Minister) and one ex officio member (the Attorney-General). The Governor is the Chairman of the Executive Council and must consult with it in the exercise of his duties. The Legislative Council consists of a Speaker, the Attorney-General as an ex officio member and 13 elected members (9 members from one-member electoral districts and 4 members representing the Territory at large).

5. There are four political parties in the British Virgin Islands: the Virgin Islands Party (VIP); the United Party (UP); the Concerned Citizens' Movement (CCM), which was founded in 1994 as a successor to the Independent People's Movement;

and the National Democratic Party (NDP), founded in 1998.[2] General elections must be held at least once every four years. Candidates are elected based on a simple majority. Persons voting must be 18 years of age or over and have "belonger status". The last election was held in 1999. VIP retained control of the legislature, increasing the number of its representation to seven seats. NDP took five seats, and CCM retained two seats. The next election is scheduled for May 2003.[3]

6. The new Governor of the British Virgin Islands, Thomas T. Macan, took office in October 2002. While greeting the new Governor during the swearing-in ceremony, the Chief Minister noted among other things that "all Chief Ministers of the United Kingdom dependencies would like to have some input into the selection of a Governor, as ... we would not tolerate anyone ... who would have no regard or respect for our customs and our culture". In his speech, the Governor, speaking about the forthcoming work of the Constitutional Commission, stated that he would welcome a debate about reducing the powers of the Governor. He also mentioned that the United Kingdom Government maintained that the Overseas Territories would remain British as long as they wished.[2]

7. In March 2002, the Legislative Council asked the British Government to appoint a commission to review the Virgin Islands Order 1976 (Constitution). Among other things, the Chief Minister asked the British Government to consider the procedure for the conferment of belonger status (see A/AC.109/2002/9, para. 56), the introduction of one more ministerial position and the addition of a human rights chapter to the Constitution.[4] As an initial step towards a review of the Constitution, the Foreign and Commonwealth Office appointed a constitutional adviser who visited the British Virgin Islands in July 2002. Most of the recommendations presented by the previous constitutional review (1993) were incorporated through constitutional amendments between 1994 and 2000 (see also A/AC.109/2001/8, paras. 16 and 17).

8. In May 2002, the territorial Government survived a motion of "no confidence" brought against it in connection with the airport development project. (A month earlier, the Financial Secretary had been arrested on allegations of mishandling government contracts related to the Beef Island Airport development.) In July, the Deputy Chief Minister and Minister of Communications and Works was removed from office and some other changes in the Government were made.[5]

9. In November 2002 the Legislative Council passed the Referendum Act 2002, designed to provide the mechanism for the conduct of referendums in the Territory. The Act will be used when a special issue arises that is considered by the Government and may require a decision by the electorate. One of the provisions states that in order to be valid, at least 59 per cent of registered voters must cast valid votes. The provision that confers power on the Executive Council to initiate a referendum was criticized by the Leader of the Opposition, who pointed out that the majority in the Executive Council would always ensure a decision in its favour. The members of the Opposition voted against the bill, and the supporters of the Government voted for it. The bill passed with seven votes in favour and six against.[6]

10. The law of the British Virgin Islands is the common law of England and locally enacted legislation. Justice is administered by the Eastern Caribbean Supreme Court, based in Saint Lucia, which consists of two divisions: the High Court of Justice and the Court of Appeal. There are two resident High Court Judges, and a visiting Court of Appeal, which comprises the Chief Justice and two judges of

appeal and sits twice a year in the Territory. There is also a Magistrate's Court, which hears prescribed civil and criminal cases, a Juvenile Court and a Court of Summary Jurisdiction. The United Kingdom Privy Council is the final court of appeal.

11. In August 2001, the Government established a permanent Law Reform Commission aimed at the systematic development and reforms of the Territory's laws in order to keep them in line with emerging trends in local and international legal fields. The Commission submits annual reports to the Legislative Council. In January 2003, the Commission outlined seven priority subject areas for the law reform, including laws related to juvenile sentencing and alternative punishment, education, public service, criminal procedure, freedom of information, arbitration and mediation and the environment. According to the Chairman of the Commission, it has established two law reform committees that, inter alia, were responsible for collecting and analysing the input from the public. The Chairman particularly emphasized the importance of promoting sustainable development of the Territory.[7]

12. In March 1999, the Government of the United Kingdom issued a White Paper on the relationship between the United Kingdom and its Overseas Territories, entitled "Partnership for progress and prosperity: Britain and the Overseas Territories" (for the text, see A/AC.109/1999/1 and Corr.1, annex; for key recommendations, see A/AC.109/1999/9, para. 28). The White Paper proposed the extension of British citizenship to the citizens of the Territories; at the same time, it required the Territories to amend their local legislation, in particular on human rights and on the regulation of financial services to meet international standards. On 26 February 2002 the British Overseas Territories Act 2002 (see A/AC.109/2002/2/Add.1) received Royal Assent and came into force on 21 May 2002. The new law grants the right of full British citizenship to all inhabitants of the Overseas Territories and formally abolishes the term "colony". Under the law, British Virgin Islanders can obtain British passports, which will allow them, among other things, to live and work in the United Kingdom and the European Union without restrictions. The acquisition of British citizenship is not mandatory. At the same time, the new law does not allow British and European citizens the reciprocal right to live in the Overseas Territories.[8]

13. In September 2002, the Government of the British Virgin Islands opened an office in London to provide a base for the promotion of the interests of the Territory. According to the Chief Minister, the main areas for promotion include tourism, investment, financial services and training. The new office also serves as a centre for students from the Territory studying in the United Kingdom. In addition, the office coordinates activities and reports related to the European Commission (EU), the World Trade Organization (WTO), the Organisation for Economic Cooperation and Development (OECD) and the Financial Action Task Force (FATF). The property for the office was purchased at approximately $7.2 million; the annual costs of operation, including salaries, would be close to $1 million. In November 2002, the temporary manager of the London office (engaged as a consultant for an initial period from September 2002 to June 2003) paid a familiarization visit to the Territory. He held meetings with representatives of the Government and the private sector. According to the Chief Minister, the duties of the consultant/manager include establishing good working relations with offices and organizations of the Caribbean region, the United Kingdom, the Commonwealth, Europe and national and

international bodies as may be necessary to ensure that the views of the Government of the Territory are clearly understood and respected.[9]

III. Budget

14. According to the administering Power, at the end of 2001 the overall Consolidated Fund exceeded $105 million. During the past decade, the Government of the Territory was able to finance 80 per cent of the $150 million capital projects. Of $700 million spent during this period, $161 million was spent on health and human resources development, $130 million on recreation, community amenities and protection, $100 million on general public administration, $173 million on economic affairs and infrastructure and $65 million on social security and welfare.

15. For the year 2002, estimated revenue was over $201 million and budgeted recurrent expenditures was $156 million, which would yield an expected budget surplus of $45 million.

16. In November 2002, the Legislative Council approved moneys to be expended in excess of the initially approved budget. The Chief Minister requested recurrent expenditure of $17,853,480 to replenish the Contingencies Fund to be a charge against the Consolidated Fund of the Territory and capital expenditure of $16,187,100 to be charged against the Capital Fund by way of funds transferred from the Consolidated Fund.[10]

17. The Territory has a well-developed banking system. According to the administering Power, estimates from 2001 indicate increases of 10 per cent in deposits and 5 per cent in loans and advances. Loans and advances grew by $24,530,000 in the first quarter of 2002, reaching $528,071,000. This represents 37 per cent of the total increase in loans and advances in 2001, accomplished in one quarter.

IV. Economy

A. General

18. The economy is based on tourism and offshore financial services, which account for 75 per cent of the Government recurrent revenue. The gross domestic product (GDP) for 2001 was $742.3 million, which is $59.5 million or 8.7 per cent more than that of the previous year. The annual rate of inflation for 2000 was 2.8 per cent and the inflation rate for 2001 averaged 3.13 per cent.[11]

19. According to the administering Power, the Territory's principal trading partners in 2001 were the United States of America, Puerto Rico, countries members of CARICOM and the United Kingdom. Imports consisted mostly of food, machinery and fuel. In February 2003, the Caribbean Development Bank reported that the overall performance of the British Virgin Islands in 2002 showed increased general activity, in particular expansion in tourism and construction.[12] According to the Foreign Commonwealth Office, in 2001 United Kingdom exports to the Territory were valued at £7.27 million and imports at £6.84 million.

20. Speaking before the Legislative Council in September 2002, the Chief Minister noted that the economic outlook for 2002 was expected to reflect a good recovery in tourism and the confirmation that the financial services sector was adjusting to the internal reform and an aggressive pursuit of global regulations by OECD. He said that the prospects for the first half of 2003 were also good. The anticipated growth in investment spending would come from the Government's continuing public sector investment programme and the increased bank financing of residential and commercial construction. The Chief Minister pointed out that there was a very positive relationship between increased economic output and the Government's net financial position. Responding to the request of the Opposition on the "economic difficulties" of small businesses, the Minister stated that there was no evidence of any crisis in that sector and referred to the impact of the global economy on the local economic activities. The Chief Minister noted that promotional efforts in financial services and tourism had been intensified to counter the negative global changes, in particular the Tourist Board continued to advance the Territory as a year-round destination, with special attention given to small inns and villas. In addition, the special training programmes for small-scale entrepreneurs had been introduced in order to improve their skills. Incentives and financial assistance were available under the Hotel Aid and Pioneer Services Enterprises Ordinance. In addition, the Development Bank of the Virgin Islands was assisting those entrepreneurs who could not secure funding from commercial banks.[13]

B. Agriculture and fisheries

21. Agriculture contributes 1.5 per cent of the GDP and engages 1.9 per cent of the population in paid employment. There are serious obstacles to developing the agricultural sector, such as a shortage of labour, water and marketing facilities. According to the administering Power, a committee to review the contribution of agriculture to the economy has been set to make recommendations for the development of this sector. One of the objectives of the Government is to sustain and develop the land and water resources of the Territory and to improve agricultural productivity. The budget for the Department of Agriculture was $2.3 million in 2001 and $2.2 million in 2002.

22. The Engineering, Soil and Water Conservation Division is engaged in the construction of farm access roads, small dams and water collection accessories. The Division has developed a nearly 3 million gallons of water storage capacity to harvest rainfall and run-off water.

23. In September 2002, the Executive Council of the Territory banned the importation of mangoes from several Caribbean countries. The action was prompted by a fruit infestation (seed weevil), which presented no risk to consumers, but affected the propagation capacity of the seeds. The Department of Agriculture confirmed that the insect was already present in several locations in the Territory and that the main focus was to control it and prevent it from spreading any further.[14]

24. The fishing industry contributed 1.3 per cent to the Territory's GDP. The budget for the Department of Conservation and Fisheries in 2001 was $913,000 compared with $1,236,500 in 2002.

C. Manufacturing/industry

25. Local industry, including mining, manufacturing and construction, accounts for 9.9 per cent of the GDP and engages around 21.3 per cent of the employed labour force. Manufacturing, which provides around 1 per cent of the GDP, consists mainly of light industry. According to the administering Power, manufacturing centres around the "Craft Alive" market and the Hope Estate, East End, Long Look Industrial Compound project. The Craft Alive market is now open daily all year round. With a recently undertaken $750,000 improvement of buildings and utilities it has 19 full-time units in operation. The Industrial Compound focuses on creating community-based light manufacturing, such as food, crafts, and some chemical and recycling products.

26. The construction industry, as measured by imports of construction materials (cement, nails, paints, polyvinyl chloride pipe, lumber and steel) accounts for 6.3 per cent of the GDP. In September 2002, the construction of the new Government House began. The building of roughly 6,500 square feet of the enclosed space and 2,500 square feet of covered terrace is financed by the Foreign and Commonwealth Office in partnership with the British Virgin Island Government and will cost $2.9 million. Together with the old Government House, which will become a historical museum, the complex is expected to be a major tourist attraction.

27. In September 2002, the Government broke ground for the construction of a new $7 million Multipurpose Sports Complex in Road Town, which will be used by both the local population and tourists.

D. Tourism

28. A rich vegetation, unspoiled beaches, yachting marinas and fine coral reefs make the islands a natural tourist destination, and tourism continues to be the most important economic sector for the Territory. Unlike the international financial services, tourism is an important source of employment and revenue, and contributes to a host of other sectors, such as the construction and retail sales sectors.

29. According to the administering Power, in 2001 the total number of tourists was 557,437 (519,409 in 2000), of which 311,298 were stopover visitors (281,119 in 2000), 195,872 cruise-ship passengers (918,522 in 2000) and 50,267 excursionists (49,768 in 2000). According to the Reuters news service, the war anxiety, rising fuel costs and fragile United States economy negatively affected the whole Caribbean tourist market. At the same time, the British Virgin Islands tourist industry, which aggressively recruited European travellers, saw increases in overnight stays in hotels during 2002. The Government makes considerable efforts to keep the high standard of the tourist service. According to the 2002 survey by the Travel and Leisure magazine, only four hotels from the entire Caribbean were included in the World's Best hotel list and those were the hotels in the British Virgin Islands.[15]

30. In 2002, the Government started a campaign aimed at transforming the capital city, Road Town, into a world class residential, tourist and financial centre. The Road Town Improvement Committee, headed by the Chief Minister, will develop a comprehensive action plan for the long-term development of the capital to be implemented by 2020. According to the Chief Minister, the capital would become a more pedestrian friendly place: "This will allow both residents and visitors the

opportunity to traverse Road Town, work in Road Town, shop in Road Town and relax in Road Town in a much more comfortable and pleasant atmosphere. In this regard, my preference is narrower roads, wider sidewalks, easier crossings, lots more trees, plants and shrubs, and many more water fountains and other such pleasantries. Efforts to improve the traffic and the parking situation in Road Town should receive full attention."

E. Finance

31. As has been described in previous working papers (see A/AC.109/2001/8 and A/AC.109/2002/9), the provision of international financial services is one of the two pillars (along with tourism) of the British Virgin Islands economy. Fees from these services alone bring in more than half of the Government's revenue. The British Virgin Islands was one of the first Territories to adopt legislation (in the mid-1980s) allowing registration of international business companies and continues to claim about 45 per cent of the world's market. The British Virgin Islands does not tax the assets of the companies, ensures their privacy and has a well-educated population that enhances the quality of the services and regulation provided.

32. During the period under review, the financial sector continued to grow. There are more than 350,000 registered international business companies in the Territory. According to the existing local laws, the companies are not taxed and are not obliged to disclose the identities of their directors or shareholders. In the mutual fund segment, the total number of funds registered since 1998 is over 2,000. In addition, ongoing efforts are being made to attract more insurance and trust companies to the Territory. However, international business companies still account for around 90 per cent of government revenues from financial services.

33. In the late 1990s, the confidentiality and tax-free qualities of the British Virgin Islands' financial sector had drawn the scrutiny of OECD and FATF. In 2000, the British Virgin Islands was included in the list of countries and jurisdictions with harmful tax practices. The Government of the Territory, in cooperation with the United Kingdom, undertook certain measures to improve its legislation in order to meet the requirements of the international business community (for the legislation adopted in recent years, see A/AC.109/2002/9, paras. 29-31). In February 2002, the Government of the Territory negotiated and submitted a draft commitment letter to OECD, in which it presented the British Virgin Islands' position on the principles of transparency and effective exchange of information. In March 2002, OECD gave a written assurance that the British Virgin Islands would not be included on any list of uncooperative jurisdictions. In April 2002, the Territory was removed from the so-called black list.[16]

34. In November 2002, the Government unveiled its plan to regulate the deposits of so-called bearer shares (often issued by the international business companies and considered to be the property of anyone presenting them) as a continued effort to bring the local financial services in line with international regulations. Although the Financial Services Commission stopped short of banning bearer shares it decided to restrict their mobility. The new legislation, the International Business Companies (Amendment) Act 2002, requires that the companies register their bearer shares with a custodian within the grace period of two years or run the risk of being closed. The custodians are expected to be trust companies or financial institutions. Out of about

500,000 registered international business companies, around 200,000 are owned by companies and individuals in Hong Kong, China.[17]

F. Transport and communications

35. According to the administrating Power, the British Virgin Islands have 165 roads, of which 148 (163 kilometres) are paved. The number of vehicles registered and licensed in the Territory in 2001 exceeded 11,000. After a number of delays, construction of a new bridge to Beef Island was completed in June 2002. The new bridge will considerably improve the connection between the airport and the capital. In order to ease traffic congestion problems in the capital, a Road Traffic Advisory Committee was set up in June 2002. In September 2002 the first traffic lights were installed in the Territory (see para. 55). The Government intended to organize training for the relevant personnel, including ambulance service personnel and police, to ensure proper maintenance of the system. The cost of the traffic lights in the 2002 budget was projected at $342,258.[18]

36. There are three international airports in the British Virgin Islands with around 190,000 arrivals and departures each year. Fifteen airlines fly to the Territory. In January 2003, a new alternative route was added when the Caribbean Sun Airlines introduced flights from San Juan, Puerto Rico. The new airline will provide four daily flights using an aircraft with seating capacity for 37 passengers.[19]

37. The construction of a new terminal in the Beef Island Airport (renamed T. B. Lettsome International Airport) was completed in 2002. This terminal is part of a $65 million project. Work continues on the expansion of the runway and other infrastructural developments. The Caribbean Development Bank, EU, the European Investment Bank, the Scotia Bank, the Social Security Board, Barclays Bank and the territorial Government are funding the project.[20] In August 2002, following a number of setbacks (the bankruptcy of a contractor and failure to secure a new contract), a dredging contract for the next phase of the runway extension was signed by the Government with a German company, Jan de Nul N.V., and witnessed by the Netherlands Airport Consultants. The consultative services were extended to 2003 for a cumulative cost of $2,500,000. The completion of this phase of the project is scheduled for the end of 2003.[20]

38. According to the administering Power, in 2001, 256 cruise ships visited the Territory's ports, with 202,517 passengers, compared with 230 ships and 188,521 passengers in 2000. Also in 2001, there was a total of 28,300 vessel calls, including cargo vessels, tankers, the coast guard, naval ships and pleasure vessels mainly in Port Purcell and Road Town. There were more than 15,000 tons of bulk cargo, 56,619 tons of containerized cargo, 183 tons of fuel, 24,934 tons of cement and 22,902 tons of sand landed.

39. The British company Cable and Wireless provides basic telephone services in the British Virgin Islands. The current contract with the company expires in 2007. Following the Government's decision not to renew its exclusive licence and to negotiate a competitive market, the company is working with the Government in order to find a suitable model for the liberalization of the local telecommunications industry. According to press reports, Cable and Wireless is upgrading its network with the most technologically advanced systems.

G. Water system, sanitation system and utilities

40. The water supply in the British Virgin Islands is constrained by the problems of insufficient production of fresh water and inadequate storage capacity. The Territory produces 1.3 million gallons of fresh water daily, mostly in desalination plants, but can only store a two-day supply of water. Rainwater cisterns are the primary source of water for 80 per cent of the population; the remainder relies on piped water. The Legislative Council has suggested that the water supplier — Ocean Conversion Ltd. of the British Virgin Islands — increase its capacity by 200,000 gallons a day.[21]

41. According to the administering Power, the Government undertakes considerable efforts to monitor the quality of water. The Water Quality Surveillance Programme monitors basic sanitation in public and private institutions. As of 2001, however, medical certification of water bottling companies could not be enforced owing to a lack of legislation. Regulations were also lacking to support the activities of the environmental health officers.

42. The Territory has an electricity production capacity of 42 million kilowatt hours and a consumption of 39 million kilowatt hours; production comes entirely from fossil-fuelled generators with an effective generating capacity of 25 megawatts. The rapid economic growth of the British Virgin Islands has strained its electricity grid and additional capacity is required. The Government has undertaken a major expansion of its physical plant to cope with current and future needs. For fiscal year 2001, domestic consumers contributed 34.05 per cent of the revenue, commercial consumers 60.69 per cent, industrial consumers 3.03 per cent and street lighting 2.94 per cent.

43. The British Virgin Islands Electricity Corporation is responsible for the Government's activities related to the development and distribution of power. It is currently completing the third phase of a 10-year development programme, which involves the installation of two additional sets of generators and the transmission of power to the island of Virgin Gorda from the Long Swamp Station. According to the administering Power, the installation of the two new generators has not resulted in expected outputs and corrective actions are being taken.

V. Social conditions

A. General

44. Public assistance is provided for those who need it through the Social Security Board, a statutory body that falls under the Ministry of Finance. It provides for sickness and maternity benefits, as well as pensions. According to the administering Power, during 2001, $3,623,926 was paid in benefits, which is an increase of 21 per cent over the $2,979,339 spent in the previous year. The payments of pensions and other long-term benefits totalled $2,063,645 and payment of sickness and other short-term benefits totalled $1,326,621. The Social Development Department has several programmes for young people, including apprenticeships and job placement and income-generating skills programmes.

45. According to the administering Power, immigration accounted for almost half of the population growth in the Territory. The previous census indicated that 53 per cent of managers, 65 per cent of professionals and 52 per cent of assistant professionals were immigrants. In total, immigrants constituted 61 per cent of the working labour force. In addition, almost 80 per cent of all nuclear family households contained at least one immigrant; and immigrants accounted for 63 per cent of single heads of household. In 2001, estimated immigration was 176 persons, which constituted 44.8 per cent of the increase of the population.

B. Labour

46. The labour force is engaged primarily in tourism (26 per cent), government employment (20 per cent) and construction (18 per cent). According to the administrating Power, the 2001 estimated budget for the Labour Department was $661,700, compared with $507,861 in 2000. The 2002 estimated budget was $730,100. The Territory maintained full employment, with 88.9 per cent of the population 15 years and older being employed. The labour force is around 11,700. Of this number, 4,998 (42.6 per cent) were British Virgin Islanders or belongers; and 6,632 (57.4 per cent) were persons from other countries.[22]

47. Until recently, employment conditions and relations between employers and employees in the Territory, as well as the requirement for work permits, were governed by the Labour Code Ordinance (1975). According to the administrating Power, the Ordinance has not been amended since its enactment and is outdated in many respects. In 1998, the Government introduced in the Legislative Council a new Labour Code, which received its first reading in 2001. The new bill would clarify administrative arrangements, improve dispute settlement procedures and upgrade basic conditions of employment for long-term employees. The Code would call inter alia for employer/employee disputes to be settled through arbitration rather than courts, and would envisage a five-year limit on work permits for non-belongers. In January 2002, the Chief Minister clarified that persons with certificates of residence did not require a work permit. In March 2002, the Minister of Labour further explained that the five-year limitation on work permits was needed to prevent persons on work permits from eventually acquiring residence status. During the past five years, a total of 802 work permits were issued and 43 per cent of the permit holders (334 persons) decided to stay in the Territory.[23]

C. Education

48. Education is free and compulsory in the Territory between the ages of 5 and 11 years; secondary education (from 12 to 16 years) is also free. There are 18 public and 11 private primary schools in the Territory, on Tortola, Anegada, Virgin Gorda and Jost Van Dyke. There are three high schools (one private and two public) and a community college at Road Town. Secondary education is available to the General Certificate of Education "A" Level. Higher education is provided by the University of the West Indies. The H. Lavity Stoutt Community College offers associate degree courses and technical education. According to the administering Power, 1,547 students were enrolled at the government secondary schools and 90 students at the private secondary schools during 2000. During the same period, 76 students were enrolled in continuing education classes, which focus mainly on basic education and

life skills. Approved estimated expenditures for 2001 were as follows: education administration $2,392,200; pre-primary and primary education $6,675,900; and secondary education $7,063,800.

49. The Government continued to improve educational conditions in the Territory, including an improvement of school facilities, an increase in scholarship funds and financing of alternative education programmes. For the 2002-2003 academic years, scholarships were approved for studies in law, financing and accounting. In the current school year, 84 students attended an alternative education programme, compared with 44 the previous year, and the number of teachers was increased from 8 to 14.[24]

50. In October 2001, the H. Lavity Stoutt Community College launched a new distance education programme, which would allow students to continue education beyond the levels of certification offered by the college.[25]

D. Public health

51. The territorial Government is the major provider and financier of health services. The Territory has one public hospital (Peebles Hospital), one health centre at Road Town and a network of eight district clinics, as well as two satellite clinics at Brewers Bay and Sea Cow Bay. Private health care is provided by one private hospital, two private dental surgeries, two private medical complexes and nine private physicians. According to the administering Power, health services are almost entirely financed (95 per cent) from the Consolidated Fund. During the past five years, the per capita expenditure continued to grow. Health expenditure as a percentage of total recurrent expenditure showed a gradual increase, from 7.6 per cent in 1997 to 9.14 per cent in 2001. Actual total expenditure for health in 2001 was $13,060,100; per capita expenditure was $632, compared with $548 in 2000. As of November 2002, the project to expand and modernize the Peebles Hospital was still at the negotiation stage. The Government reported to the Legislative Council that the cost of the project would not exceed $80 million, which is expected to be funded by loans and Government funds.[26]

52. The Territory suffers from a shortage of skilled local medical personnel and recruits mainly from other Caribbean countries. In 2002, there were 43 doctors (28 in government service and 15 in private practice), 128 registered nurses, 37 nurse assistants and 10 pharmacists. Currently, manpower and training comes from several sources, including the Government's Training Division, other Caribbean countries, the United States, Canada and the United Kingdom.

53. According to the Caribbean Epidemiology Centre, the Territory has universal vaccination coverage and the Government of the Territory carries out a successful immunization programme. In particular, 95 to 100 per cent of the infant population has been immunized, 90 per cent of adults vaccinated against rubella and 90 per cent of the teenage population against hepatitis B.[27]

E. Crime

54. The Royal Virgin Islands Police Force maintains three stations on Tortola and one each on Virgin Gorda, Anegada and Jost Van Dyke. The total size of the force is

186 officers. According to the administering Power, the crime rate doubled in the Territory between 1996 and 2001, rising from 52.5 reported criminal offences per thousand to 106.8. In 2001, 2,205 criminal offences were reported in the Territory, an increase of 8.73 per cent over the previous year. The Prison Department had a 2002 budget of $1,693,800, compared with $1, 658,831 in 2001. At present 69 males and 2 females are imprisoned.

55. According to the Police Traffic Department, traffic congestion and accidents have been a growing problem in the Territory. The statistics showed that at one of the intersections in Road Town alone, 48 road accidents were reported in 2001 and 14 accidents were reported in the first half of 2002, and along the carriage way coming from Port Purcell there were 129 accidents in 2001 and 70 in the first half of 2002. The first traffic lights in the Territory were installed in Road Town in September 2002 and the second set in November 2002 (see para. 35). The lights are expected to improve this situation.[28]

56. In an effort to lessen the number of illegal immigrants arriving to the Territory, the Chief Minister requested in January 2003 that a regular patrol of the Territory's waters be introduced. The statement came after the local authorities reported the apprehension of 67 illegal immigrants from Haiti, the Dominican Republic and Saint Lucia over one weekend. The usual route of illegal immigrants is from St. Marten down to the south side of the Territory's islands. He stated that while a patrol would be costly, catching the illegal immigrants and getting them out of the country would cost even more. The Chief Minister has continued to discuss the issue with the Governor and the police.[29]

57. According to the outgoing Governor, the Police Force was in the process of modernization. Among the early signs of improvement he mentioned that the serious crime was down by around 10 per cent and arrests were up by about 60 per cent. He also welcomed the formation of police-community groups in some areas of the Territory.[30]

58. As reported previously (A/AC.109/2002/9, paras. 61 and 62), the British Virgin Islands is becoming an increasingly important location on the Caribbean trans-shipment corridor for drug trafficking.

59. According to the Foreign and Commonwealth Office, problems associated with drug trafficking are potentially the most serious threat to stability of the Territory. The Territory is a major target for traffickers because of its numerous small uninhibited islands and close proximity to the United States Virgin Islands and Puerto Rico, which serve as a gateway to the United States mainland. The United Kingdom has provided a police launch, and jointly funds with the territorial Government a number of British personnel, a Police surveillance aircraft and anti-narcotics equipment to assist with control.

60. The Territory has a full Mutual Legal Assistance Treaty with the United States and enjoys close cooperation with United States law enforcement agencies. The relevant legislature includes the Drug Trafficking Offences Bill and Criminal Justice Cooperation Act.[31] In August 2002, in order to reduce the incidents of vessels entering and leaving the territorial waters without permission, the Custom Department strengthened control at all seaports. In addition to the past practice of penalizing the offenders, the Department organized informative sessions with the operators of vessels to familiarize them with relevant regulations.[32]

61. In early 2003, the Minister of Health and Welfare made an appeal to the Government and the population to work together to reverse the trend of increasing alcohol and marijuana use and of early and unprotected sex among residents. For the second consecutive year, January was declared Drug Awareness Month. In 2002 the Caribbean Epidemiology Centre and the National Drug Advisory Council carried out a survey of young people in the Territory aged between 12 and 19 years. The preliminary results indicate that 98.6 per cent of the respondents had used alcohol before the age of 16 and 94.5 per cent had smoked marijuana by the same age. The patterns of sexual behaviour are being analysed by the Centre. According to the Minister, the information from the survey will be used by the Government to identify concerns and to propose adequate educational and preventive measures. In the meantime, the Government is working towards the establishment by the end of 2003 of an in-patient unit in the Territory to assist those who have already become addicted to drugs. The Government has also increased the number of after-school programmes to provide an alternative for unsupervised children.[33]

VI. Environment

62. Like many Caribbean Territories, the British Virgin Islands is subject to seasonal hurricanes. The territorial Government undertakes several programmes to minimize the damage caused during hurricane season and maintains an Office of Disaster Preparedness and a National Emergency Operations Centre.

63. In recent years, the territorial Government has undertaken steps to protect the environment of the islands and balance it with the needs of economic development. In June 2002 officials of the British Virgin Islands Conservation and Fisheries Department held meetings and exchanged experience with the New York-based Environmental Protection Agency and counterparts from the United States Virgin Islands with whom they share similar problems. In particular, the British Virgin Islands representatives shared details of the programme developed for Tortola, whereby several government agencies would join with architects, engineers, contractors, environmentalists and others in the private sector to find ways to minimize soil erosion and any negative impact of economic development.[34]

64. In 2001, the United Kingdom Department for Environment, Food and Rural Affairs, the University of Wales and the Marine Conservation Society allocated £145,000 for a three-year project to investigate the exploitation of the endangered marine turtle population in the Caribbean Overseas Territories, including the British Virgin Islands. Despite a 1977 ban on all international trade in marine turtle products under the Convention on International Trade in Endangered Species of Wild Fauna and Flora, tortoiseshell items continue to be illegally traded in the Caribbean, where unsuspecting tourists provide the main market. The project aims to work with local expertise and to help establish long-term research programmes in each Territory involved. Through exhaustive field surveys and genetic stock analysis, the team will assess the status of the marine turtle population at nesting beaches and the turtle's marine foraging grounds. It will also evaluate legal and illegal turtle harvests through socio-economic surveys. Regulated turtle fisheries are currently allowed in the British Virgin Islands. In August 2002, representatives of the Territory attended a seminar organized within the framework of this programme and funded by the Foreign and Commonwealth Office's Environment Fund for the Overseas Territories.[35]

VII. Relations with international organizations and entities

A. United Nations system

65. The Territory enjoys associate membership in the International Labour Organization (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the Economic Commission for Latin America and the Caribbean (ECLAC). The Territory also receives some funds from the United Nations Development Programme (UNDP) in implementing its country cooperation framework.

66. In August 2002, officials from the Ministry of Natural Resources and Labour discussed issues vital to the Territory's fishing interests during a United Nations meeting on the law of the sea and the conservation and management of straddling fish stocks and highly migratory fish stocks. Some of the issues discussed included United States fishing in the British Virgin Islands 200-mile economic zone, the United States claim that the North Drop Island belongs to the United States Virgin Islands and the chasing of the British Virgin Islands' fishermen from their territorial waters by the United States Coast Guard. One of many issues arising from the meetings was the importance of sustainable fisheries to the alleviation of poverty.[36]

B. Regional organizations and entities

67. The Territory is an associate member of CARICOM, whose goal is to promote closer political and economic integration among Caribbean States, and the Organization of Eastern Caribbean States (OECS). Because of its relatively high level of economic development, the Territory is being pressured to become a full member and to open its labour market to OECS workers. It is a borrowing member of the Caribbean Development Bank. It is also a signatory to the Lomé Convention, which provides for some development assistance.

VIII. Future status of the Territory

A. Position of the territorial Government

68. According to information received from the administering Power, on 9 September 1998, the Government of the British Virgin Islands and the Government of the United Kingdom signed a "Memorandum of Cooperation and Partnership". In that document, the territorial Government stated its objective to be the achievement of economic independence; the administering Power stated that it shared that objective and that it remained committed to a policy of assisting its Overseas Territories to attain full independence when and if it was the clearly and constitutionally expressed wish of the people.

69. In June 2001, the Government appointed a committee to look into the cost, obligations and liabilities of independence, such as the creation of a foreign ministry, the establishment of embassies and the requirements arising from international treaties and conventions. This exercise was undertaken to implement one of 30 other proposals for constitutional reform presented in the 1993 Report of the Constitutional Commissioners. The committee is not to make any

recommendations on whether the Territory should become independent. The question of independence is to be decided by the country's voters either through a referendum or by electing a party committed to independence.[17]

B. Position of the administering Power

70. On 1 October 2002, the representative of the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) (see A/C.4/57/SR.3) in which she said that her Government, as an administering Power, was pleased to report that further progress had been made towards modernization and development of the relationship between the United Kingdom and its Overseas Territories. The fourth annual meeting of the Overseas Territories Consultative Council had been held in London in September 2002, providing a forum for structured political dialogue between democratically elected chief ministers of the Overseas Territories and ministers of her Government with regard to the relationship, based on partnership, between the United Kingdom and its Territories. It also enabled those present to consult on matters such as the process of constitutional review, human rights and environmental issues arising from the United Kingdom's international commitments.

71. The partnership between the United Kingdom and its Overseas Territories continued to evolve: on 26 February 2002, the British Overseas Territories Act had become law, with effect from 21 May 2002, granting citizens of the Territories British citizenship, with right of abode in the United Kingdom and freedom of movement in Europe; it formally changed the nomenclature from "dependent" to "Overseas" Territories in order to more accurately reflect the nature of the relationship. Furthermore, constitutional review was under way in almost all the Territories, for the first time with the participation of locally appointed review commissions, with a view to providing each Territory with a modern constitution suitable for its long-term development which reflected its specific circumstances. Some reviews were almost complete, others were well under way, and Ascension Island, for example, would have elected an island council by the end of 2002.

72. The United Kingdom representative added that work was under way to implement the Guiding Principles of the Environment Charter for the Overseas Territories, adopted in September 2001. Pilot projects had been approved for two Territories and would be carefully monitored for suitability elsewhere. Multilateral environmental agreements would be extended to the Territories and national legislation would be strengthened. Projects had been implemented to address key areas such as habitat restoration, surveys of living resources, tackling of invasive species and capacity-building for civil society institutions. Her Government would also assist the Territories to access regional and bilateral European Commission trade, economic and development assistance within the framework of the November 2001 decision on the association of the overseas countries and Territories with the European Community (Overseas Association Decision).

73. The wishes of the peoples of the Territories, exercised in accordance with the Charter of the United Nations and other international treaties, were of paramount importance for the United Kingdom. The relationship between her Government and its Territories was based on fundamental principles such as self-determination, mutual obligations, freedom for the Territories to run their affairs to the greatest

degree possible and the firm commitment from her Government to help the Territories economically and during emergencies.

74. The representative of the United Kingdom said that there was a basic commonality of approach between her Government and the Fourth Committee and she therefore regretted that relevant resolutions, in particular those of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples, did not always properly reflect that commonality. The annual omnibus resolution recalled that there was no alternative to the principle of self-determination and it was unfortunate that the Special Committee continued to apply that principle selectively. Her Government fully intended to continue to work with the Special Committee, as had been demonstrated by the presence of a representative of her Government at the regional seminar of the Special Committee held in Fiji in 2002.

C. Consideration by the General Assembly

75. On 11 December 2002, the General Assembly adopted, without a vote, resolution 57/138 A and B, section IV of which concerns the British Virgin Islands.

Notes

[1] Information contained in the present working paper has been derived from published material and from material provided by the administering Power under Article 73 e of the Charter of the United Nations.

[2] *The Island Sun*, 11 October 2002.

[3] *Europa World Yearbook 2002*, 43 ed.

[4] Ibid., 8 March 2002.

[5] *Europa World Yearbook 2002*, 43 ed.; and *The Island Sun*, 1 June 2002.

[6] *The Island Sun*, 15 November 2002.

[7] Ibid., 4 January 2003.

[8] *The Observer* (London), 12 May 2002.

[9] *The Island Sun*, 30 August, 27 September and 14 December 2002.

[10] Ibid., 8 November 2002 and 17 January 2003.

[11] Ibid., 22 December 2001.

[12] BBC Monitoring Americas — Political, London, 11 February 2003.

[13] *The Island Sun*, 20 September 2002; and BBC Monitoring Americas — Political, London, 22 September 2002.

[14] BBC Monitoring Americas — Political, London, 16 September 2002.

[15] *The Island Sun*, 3 August 2002; and REULBviaNewsEDGE, 30 January 2003.

[16] *Financial Times*, via NewsEDGE, 8 August 2002.

[17] Ibid., 18 November 2002; and *South China Morning Post*, 2 December 2002.

[18] *The Island Sun*, 13 September 2002.

[19] Ibid., 24 January 2003.

[20] Ibid., 31 August 2002.

[21] *The BVI Beacon*, 20 December 2001.

[22] *The Island Sun*, 24 November 2001.

[23] *The BVI Beacon*, 20 December 2001; and *The Island Sun*, 19 January and 1 March 2002.

[24] *The Island Sun*, 31 August 2002 and 4 January 2003.

[25] *The BVI Beacon*, 12 October 2001.

[26] *The Island Sun*, 16 November 2002.

[27] Ibid., 17 August 2002.

[28] *The Island Sun*, 13 September and 8 November 2002.

[29] Ibid., 17 January 2003.

[30] Ibid., 11 October 2002.

[31] www.fco.gov.uk, country profiles, British Virgin Islands, January 2003.

[32] BBC Monitoring Americas, 16 August 2002.

[33] *The Island Sun*, 17 January 2003.

[34] *The Virgin Islands Daily News*, 12 June 2002.

[35] www.fco.gov.uk, press releases, 22 August 2002.

[36] *The Island Sun*, 31 August 2002.

[37] *The BVI Beacon*, 14 June 2001.